

SBC - California Study

Presubscription Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005 - 2008

September 2004



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Cost Study Overview & Methodology

Double click on the file below for a detailed Overview & Methodology write-up



Document

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Presubscription Interexchange Carrier (PIC) Change Charge
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Overview and Methodology

Purpose

The purpose of this cost study is to provide updated costs for PIC and LPIC Change orders. For reference, an acronym glossary is included as a separate tab within this cost study.

Service Description

Presubscription is a procedure whereby an end user may select and designate to the Telephone Company an Interexchange Carrier (IC) to access, without dialing an access code, for interLATA and intraLATA calls. This IC is referred to as the end user's primary IC. A charge associated with interLATA is a PIC. A charge associated with intraLATA is a LPIC.

Rate Element Descriptions

Cost per PIC Change or LPIC Change per request

Activity-Based Costing

Activity-Based Costing is a widely used method of identifying costs. The structure of an ABC study is based on the fact that activities performed by the company consume resources, and these resources have a specifically identifiable cost. Activities, then, are used to provide services. This gives a logical, easy-to-follow flow through the costing procedure.

Activity-Based Costing uses a number of specific terms, such as *resource*, *activity*, *cost object*, and *drivers* which have simple, yet special meanings.

- A *resource* can be a piece of equipment, a labor rate, or a vendor contracted expense.
- An *activity* is an action that consumes resources. The cost of the activity is calculated based on the cost of the resources that the activity consumes, and the resource driver, or the quantity of resources the activity consumes.
- A *cost object* is a product (i.e., PIC Change).
- *Drivers* are specific units that represent quantities of activities and resources. For example, time in minutes, or orders per line may be drivers. Resource drivers are the quantity of resources consumed by an activity. Activity drivers are the number of activities necessary to provide the service.

The Basics of Activity-Based Costing are:

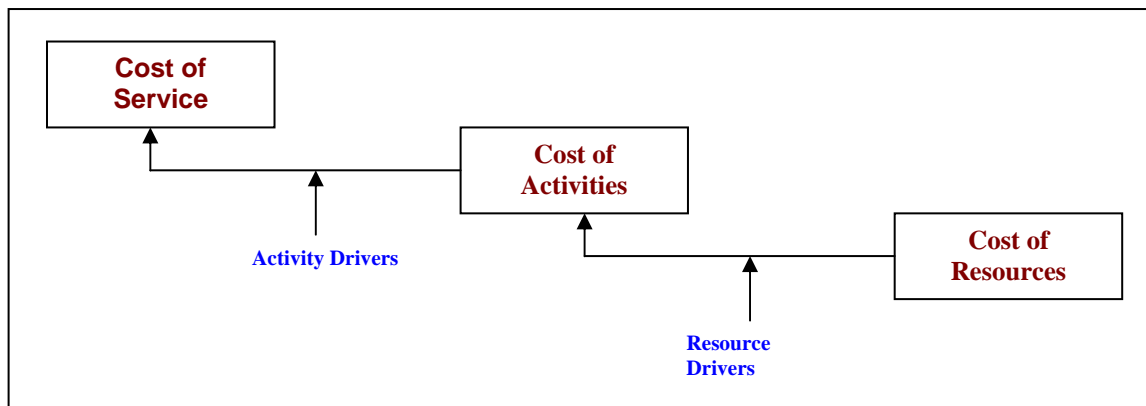
- Cost objects (i.e., services) are provided by activities.
- Activities consume resources.
- Consumption of resources drives costs.

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Figure 1 illustrates the flow of Activity-Based Costing.

Figure 1



Line and Change Quantity Efficiency

End user may have more than one access line and ask to have their PIC changed on multiple lines on the same request (or order). In addition, on the same request, the same end user may also request LPIC changes on the same lines. There are efficiencies associated with performing PIC changes on multiple lines and performing a LPIC change at the same time as a PIC change. This efficiency is included in the cost results.

The SMEs provided time estimates that represent the total activity time required to make all changes on all lines on an average size request. In other words, the SMEs, based on their experience processing requests, estimated an average number of changes required on a request and provided the total time to process all changes. The Bill of Costs tab adjusts the per request manual costs to per change by multiplying the resulting business channel costs by orders per change (or the inverse of changes per order), thereby accounting for any line and change quantity efficiencies resulting from multiple lines or changes per line on the same request.

Labor Rates

The labor rate represents the cost to SBC of a single hour of labor. The labor rate is inflated (based on the Consumer Price Index) to the study period to make the labor cost representative of the period under study. A more detailed discussion of labor rates and inflation factors is found later in this methodology.

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Inflation Factors

Inflation Factors are utilized to apply the appropriate labor cost for the study period. The inflation factors are developed by using the forecast of the Consumer Price Index (CPI). The CPI represents changes in prices of all goods and services purchased for consumption by urban households. User fees (such as water and sewer service) and sales and excise taxes paid by the consumer are also included. Income taxes and investment items (like stocks, bonds, and life insurance) are not included.

Labor Rate Development Methodology

Labor rates identify the cost to the firm of consuming a particular resource—an hour of labor. Labor rates begin with a basic hourly wage or salary, and then include costs directly caused by labor that are not captured in the basic wage. These other direct labor costs include:

- break time and/or tour length costs,
- paid absence costs,
- special payments such as team awards and recognition,
- payroll taxes, pension costs, benefit costs,
- support assets, including capital costs associated with support assets
- Other direct costs such as travel and training, and clerical support and supervision.

Labor rates are developed at the proper level of detail to provide accurate costs for specific activities. First, SBC looks at specific groups of function codes (which designate a specific job function) or activity codes (which designate a specific job activity). These function/activity codes are part of SBC's functional accounting system used to report expenses company-wide. For example, 21XX is the group of all wages and expenses charged to function codes or activity codes that begin with "21", which in this example represents Operator Services functions and activities.

Within the specific group, SBC develops labor rates by Market Zone (for management employees) or Wage Category (for non-management employees). The Market Zone and Wage Category are specific job classifications that determine how much the company pays for a particular job.

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The Labor rates in this study begin with an average wage per hour from payroll records. SBC derives relationships of expenses to wages, or expenses to hours worked, to develop labor factors or loadings that it then applies to basic wages to produce total hourly labor cost. All base labor rates in this study represent calendar year 2003. If SBC did not have current labor base rates for a particular state or job title, the most recent labor rate available was adjusted by bringing the basic wage portion of the labor rate current and updating the benefit factor using the most recent data available.

For more information, separate Labor Rate Development documentation is available.

Cost Study Assumptions and Parameters

- TSLRIC Methodology
- Add/remove PIC protection costs are in the PIC change charge
- Slamming costs are included in the PIC change charge
- Study period is 2005 – 2008, midpoint 2006
- Labor Rates are base year 2003 adjusted to 2006
- Study does not include translations costs

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Results

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Results

(A)	(B)	(C)	(D)	(E)
		Total	Overhead	Total
		Cost	Factor	Rate
Line	Cost Element	Source: Bill of Costs	Source: Input	$(E)=(C)*(1+D)$
1	PIC or LPIC Charge, Cost per Change	\$3.17	32.17%	\$4.19

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Bill of Costs

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Bill of Costs

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Ln	Cost Element / Activities	Unit Activity Cost Source: BOAC	Activity Driver (Orders per Change) Source: Drivers	Other Activity Driver Source: Drivers	Activity Driver Description	Activity Cost (G=C*D*E)
PIC or LPIC Charge, Cost per Change						
1	Change PIC/LPIC for "Consumer - Service Representative"	\$4.85	0.53	52.3%	% manual orders worked by Consumer Service Representative	\$1.3360
2	Change PIC/LPIC for "Global Markets" customer	\$51.13	0.02	0.7%	% manual orders worked by Global Markets center	\$0.0071
3	Change PIC/LPIC for "Signature Accounts" customer	\$16.93	0.19	0.9%	% manual orders worked by Signature Accounts center	\$0.0305
4	Change PIC/LPIC for "Value" customer	\$16.93	0.28	5.6%	% manual orders worked by Value center	\$0.2658
5	Change PIC/LPIC for "GEM" customer	\$53.35	0.21	1.3%	% manual orders worked by GEM center	\$0.1431
6	Add PIC/LPIC protection for "Consumer - Service Representative"	\$2.87	0.53	0.0056	Ratio of Consumer Service Representative Add Protection to Total PIC & LPIC Changes	\$0.0085
7	Add PIC/LPIC protection for "Global Markets" customer	\$43.24	0.02	0.0004	Ratio of Global Markets Add Protection to Total PIC & LPIC Changes	\$0.0003
8	Add PIC/LPIC protection for "Signature Accounts" customer	\$12.42	0.19	0.0015	Ratio of Signature Account Add Protection to Total PIC & LPIC Changes	\$0.0036
9	Add PIC/LPIC protection for "Value" customer	\$12.42	0.28	0.0025	Ratio of Value Add Protection to Total PIC & LPIC Changes	\$0.0087
10	Add PIC/LPIC protection for "GEM" customer	\$7.44	0.21	0.0053	Ratio of GEM Add Protection to Total PIC & LPIC Changes	\$0.0082
11	Remove PIC/LPIC protection for "Consumer - Service Representative"	\$2.62	0.53	0.0005	Ratio of Consumer Service Representative Remove Protection to Total PIC & LPIC Changes	\$0.0007
12	Remove PIC/LPIC protection for "Global Markets"	\$48.74	0.02	0.0002	Ratio of Global Markets Remove Protection to Total PIC & LPIC	\$0.0002
13	Remove PIC/LPIC protection for "Signature Accounts" customer	\$13.13	0.19	0.0004	Ratio of Signature Account Remove Protection to Total PIC & LPIC Changes	\$0.0010
14	Remove PIC/LPIC protection for "Value" customer	\$13.13	0.28	0.0006	Ratio of Value Remove Protection to Total PIC & LPIC Changes	\$0.0022
15	Remove PIC/LPIC protection for "GEM" customer	\$7.44	0.21	0.0016	Ratio of GEM Remove Protection to Total PIC & LPIC Changes	\$0.0025
16	Provide Customer Account Record Exchange (CARE) support - All PIC Changes	\$132,602.26		0.00000019	1/Total PIC-LPIC Transactions	\$0.0252
17	Provide Customer Account Record Exchange (CARE) support - Mechanized PIC Changes	\$236,039.22		0.00000019	1/Total PIC-LPIC Transactions	\$0.0448
18	Provide Slamming Administration support	\$1,387,672.00		0.00000019	1/Total PIC-LPIC Transactions	\$0.2637
19	Provide TPV for a value customer PIC/LPIC change	\$0.79	0.28	5.6%	% manual orders worked by Value center	\$0.0124
20	Provide TPV for a consumer-serv rep customer PIC/LPIC change	\$0.81	0.53	52.3%	% manual orders worked by Consumer Service Representative	\$0.2241
21	Provide TPV for a signature customer PIC/LPIC change	\$0.78850	0.19	0.9%	% manual orders worked by Signature Accounts center	\$0.0014
22	Provide TPV for a value customer PIC/LPIC add protect	\$0.00010	0.28	5.6%	% manual orders worked by Value center	\$0.000002

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Ln	Cost Element / Activities	Unit Activity Cost Source: BOAC	Activity Driver (Orders per Change) Source: Drivers	Other Activity Driver Source: Drivers	Activity Driver Description	Activity Cost (G=C*D*E)
23	Provide TPV for a consumer-serv rep customer PIC/LPIC add protect	\$0.00460	0.53	52.3%	% manual orders worked by Consumer Service Representative	\$0.00127
24	Provide TPV for a signature customer PIC/LPIC add protect	\$0.00006	0.19	0.9%	% manual orders worked by Signature Accounts center	\$0.0000001
Ln	Cost Element / Activities	Unit Activity Cost Source: Input Tab	Orders per Change Source: Drivers		Activity Driver Description	Activity Cost (G=C*D)
24	Provide Service Order Computer Cost, per order	\$0.98		0.37	Weighted Average PIC/LPICs Orders per Change	\$0.3616
25	Provide IT PIC/LPIC Annual Cost per PIC/LPIC change	\$0.42		n/a	n/a	\$0.4200
26	Total Cost > SUM (LN 1.....25)					\$3.17

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Bill of Activity Costs							
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Ln	Activities / Resources	Workgroup	Job Title	Unit Resource Cost (\$/hr) Source: BORG	Resource Drivers Minutes Source: Input	Percent Occurrence Source: Input	Resource Cost (H=E/60*F*G)
<u>Change PIC/LPIC for "Consumer - Service Representative"</u>							
1	Receive request from end user or IXC via the IVR and deliver to the next available service representative. Screen Pop provides customer information. Service Representative greets customer.	Consumer	Service Representative	\$60.65	0.75	100.00%	\$0.76
2	Obtain customer information and access account in BOSS/Dashboard. Verify account by requesting bill name, password, SSN or customer code. Clarify request, PIC, LPIC or both. Determine telephone numbers where changes are to be made.	Consumer	Service Representative	\$60.65	0.83	100.00%	\$0.84
3	Access EASE to make PIC/LPIC change, validate carrier availability.	Consumer	Service Representative	\$60.65	0.75	100.00%	\$0.76
4	Set KID PN if customer alleges SLAM	Consumer	Service Representative	\$60.65	1.50	5.00%	\$0.08
5	Transfer customer to TPBC if disputed third party billed charges. Make a BOSS notation.	Consumer	Service Representative	\$60.65	0.50	4.00%	\$0.02
6	Remove PIC/LPIC protection if customer has protection and gives permission to remove; If permission not given no order can be taken, end call.	Consumer	Service Representative	\$60.65	0.75	4.00%	\$0.03
7	Recap all elements of the order, provide due dates, charges and usage plans. In EASE on products screen add TPV reference line.	Consumer	Service Representative	\$60.65	1.00	95.00%	\$0.96
8	Change PIC/LPIC back to SBC-West, access Calibus website for TPV, input customer information and hit SUBMIT. Wait for record locator number to appear and add to service order. On-line transfer customer to Calibus Agent and give the agent pertinent information, connect customer with agent and drop off. Add record locator number on order in EASE on the Due Dates screen and release order to SORD.	Consumer	Service Representative	\$60.65	1.17	98.00%	\$1.16
9	Receive a screen pop in Mosaix with telephone number. Access order/customer account in various systems to determine where fallout occurred.	Consumer	Staff Associate	\$54.75	3.00	2.30%	\$0.06
10	Release order, if TPV completed, in ITPV screen and disposition account in various systems	Consumer	Staff Associate	\$54.75	1.30	2.30%	\$0.03
11	Ensure order is correct if TPV did not complete and set systems to release order and contact customer. If they contact customer attempt to re-TPV and release order and disposition completed in all systems	Consumer	Staff Associate	\$54.75	2.00	2.30%	\$0.04
12	Send AutoLetter if unable to contact customer, set follow-up (3 days) for second attempt. Separate other products and services from original order, issue another order and release with other products and services request. Original order is placed on hold in SORD. Disposition in various systems	Consumer	Staff Associate	\$54.75	3.00	2.30%	\$0.06

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13	Receive a screen pop in Mosaix with telephone number. Access order/customer account info various systems to determine where fallout occurred. If second attempt, attempt to contact customer, if contacted attempt to re-TPV and release order and disposition completed in all systems.	Consumer	Staff Associate	\$54.75	2.00	2.30%	\$0.04
14	Set follow-up (5 days) for third attempt disposition in all systems if unable to contact the customer.	Consumer	Staff Associate	\$54.75	0.30	0.40%	\$0.00
15	Work CMS third attempt. Access order/customer account in various systems to determine where fallout occurred. If TPV completed release order and disposition in various systems, if not completed disposition in various systems, send Auto Letter and delete order.	Consumer	Staff Associate	\$54.75	4.00	0.40%	\$0.01
16	Unit Activity Cost > SUM (LN 1.....15)						\$4.85

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Add PIC/LPIC protection for "Consumer - Service Representative"							
17	Receive request from end user via the IVR and deliver to the next available service representative. Screen Pop provides customer information. Service Representative greets customer.	Consumer	Service Representative	\$60.65	0.75	100.00%	\$0.76
18	Obtain customer information and access account in BOSS/Dashboard. Verify account by requesting bill name, password, SSN or customer code. Clarify request, PIC, LPIC or both. Determine telephone numbers where changes are to be made.	Consumer	Service Representative	\$60.65	0.83	100.00%	\$0.84
19	Add LPIC/PIC protection, access Calibus website for TPV, input customer information, check off LPIC/PIC protection, check "No Order issued, AOG generated order" and hit SUBMIT. Wait for record locator number. On-line transfer customer to Calibus and give Agent record locator number and customer name. Rep transfers customer to Agent and drops off the call.	Consumer	Service Representative	\$60.65	0.75	100.00%	\$0.76
20	Add note in BOSS	Consumer	Service Representative	\$60.65	0.50	100.00%	\$0.51
21	Unit Activity Cost > SUM (LN 17.....20)						\$2.87
Remove PIC/LPIC protection for "Consumer - Service Representative"							
22	Receive request from end user or IXC via the IVR and deliver to the next available service representative. Screen Pop provides customer information. Service Representative greets customer.	Consumer	Service Representative	\$60.65	0.75	100.00%	\$0.76
23	Obtain customer information and access account in BOSS/Dashboard. Verify account by requesting bill name, password, SSN or customer code. Customer advises they would like to remove PIC/LPIC protection. Determine telephone numbers where changes are to be made.	Consumer	Service Representative	\$60.65	0.83	100.00%	\$0.84
24	Access EASE to remove PIC/LPIC protection on account; recap order activity with customer to ensure order accuracy.	Consumer	Service Representative	\$60.65	0.50	100.00%	\$0.51
25	Issue order to remove PIC/LPIC Protection, enter due date and release order to SORD.	Consumer	Service Representative	\$60.65	0.50	100.00%	\$0.51
26	Unit Activity Cost > SUM (LN 22.....25)						\$2.62

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<u>Change PIC/LPIC for "Global Markets" customer</u>							
27	Change PIC/LPIC request from customer via faxes or emails to center. Customer records are reviewed.	Global	Service Representative	\$60.65	1.15	100.00%	\$1.16
28	Asks customer's permission to remove PIC/LPIC protection if customer has protection. Customer requests rep to reinstate PIC/LPIC protection after carrier change is completed. Rep provides instructions to reinstate PIC/LPIC protection. Customer is requested to fax/email request to change carrier and remove PIC/LPIC protection. Also advise customer to return applicable LOA's by fax (if change to SBC or reinstating PIC/LPIC protection).	Global	Service Representative	\$60.65	3.00	50.00%	\$1.52
29	Change PIC/LPIC to SBC West, LOA is emailed/faxed to customer	Global	Service Representative	\$60.65	2.00	15.00%	\$0.30
30	Receive Fax email requests and LOA from customer. Copies are pulled and fax cover sheet is prepared that will be returned to the customer with order info.	Global	Provisioning Specialist	\$67.34	2.00	100.00%	\$2.24
31	Log in fax/email for tracking.	Global	Provisioning Specialist	\$67.34	1.00	100.00%	\$1.12
32	Distributes request to service rep.	Global	Provisioning Specialist	\$67.34	1.00	100.00%	\$1.12
33	Access SORD to place order to remove PIC/LPIC Protection.	Global	Service Representative	\$60.65	15.00	50.00%	\$7.58
34	Access SORD to place order using the appropriate screen for PIC and LPIC.	Global	Service Representative	\$60.65	30.00	100.00%	\$30.33
35	Issue third order in SORD to reinstate freeze with a due date after the change order.	Global	Service Representative	\$60.65	1.00	50.00%	\$0.51
36	End order and fills out the cover sheet to be sent to customer to verify completion of order. Confirmation of due date, order numbers.	Global	Service Representative	\$60.65	2.00	100.00%	\$2.02
37	Access SORD, bring up error and review	Global	Service Representative	\$60.65	1.00	5.00%	\$0.05
38	Correct error and resubmit order	Global	Service Representative	\$60.65	3.00	5.00%	\$0.15
39	Fax cover sheet back to customer and file and/or email confirmation sent to customer.	Global	Service Representative	\$60.65	3.00	100.00%	\$3.03
40	Unit Activity Cost > SUM (LN 27.....39)						\$51.13

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Add PIC/LPIC protection for "Global Markets" customer							
41	Add PIC/LPIC protection to account per request by customer. Customer records are reviewed.	Global	Service Representative	\$60.65	1.15	100.00%	\$1.16
42	Emailed/faxed to customer applicable LOA	Global	Service Representative	\$60.65	2.00	100.00%	\$2.02
43	Receive fax/email requests and LOA. Copies are pulled and fax cover sheet is prepared that will be returned to the customer with order info.	Global	Provisioning Specialist	\$67.34	2.00	100.00%	\$2.24
44	Log in fax/email for tracking.	Global	Provisioning Specialist	\$67.34	1.00	100.00%	\$1.12
45	Distributes request to service rep.	Global	Provisioning Specialist	\$67.34	1.00	100.00%	\$1.12
46	Access BEASE/SORD to place order using the appropriate screen.	Global	Service Representative	\$60.65	30.00	100.00%	\$30.33
47	End order and fills out the cover sheet to be sent to customer to verify completion of order. Confirmation of due date and order numbers.	Global	Service Representative	\$60.65	2.00	100.00%	\$2.02
48	Access SORD, bring up error and review	Global	Service Representative	\$60.65	1.00	5.00%	\$0.05
49	Correct error and resubmit order	Global	Service Representative	\$60.65	3.00	5.00%	\$0.15
50	Faxed back cover sheet to customer and filed and/or Email confirmation is sent.	Global	Service Representative	\$60.65	3.00	100.00%	\$3.03
51	Unit Activity Cost > SUM (LN 41.....50)						\$43.24
Remove PIC/LPIC protection for "Global Markets" customer							
52	Receive 3-way call from customer with the carrier to remove PIC/LPIC protection. Customer records are reviewed.	Global	Service Representative	\$60.65	1.15	100.00%	\$1.16
53	Ask for verification (Corp Tax Number, Billing Name, etc.) from customer to remove PIC/LPIC protection, provides due date and asks the carrier to drop from the line.	Global	Service Representative	\$60.65	2.15	100.00%	\$2.17
54	Request from customer for rep to reinstate PIC/LPIC protection after carrier change is completed. Rep provides instructions to reinstate PIC/LPIC protection. Customer is requested to fax/email request. Entire request is recapped and customer leaves line.	Global	Service Representative	\$60.65	2.30	100.00%	\$2.32
55	Access BEASE/SORD to place order using the appropriate screen.	Global	Service Representative	\$60.65	1.00	100.00%	\$1.01
56	Reinstate protection, applicable LOA is emailed/faxed to customer.	Global	Service Representative	\$60.65	2.00	100.00%	\$2.02
57	Fax/email requests and LOA are received. Copies are pulled and fax cover sheet is prepared that will be returned to the customer with order info.	Global	Provisioning Specialist	\$67.34	2.00	100.00%	\$2.24
58	Log in fax/email for tracking.	Global	Provisioning Specialist	\$67.34	1.00	100.00%	\$1.12
59	Distributes request to service rep.	Global	Provisioning Specialist	\$67.34	1.00	100.00%	\$1.12
60	Access BEASE/SORD to place order using the appropriate screen.	Global	Service Representative	\$60.65	30.00	100.00%	\$30.33
61	End order and fill out the cover sheet to be sent to customer to verify completion of order.	Global	Service Representative	\$60.65	2.00	100.00%	\$2.02
62	Access SORD, bring up error and review	Global	Service Representative	\$60.65	1.00	5.00%	\$0.05
63	Correct error and resubmit order	Global	Service Representative	\$60.65	3.00	5.00%	\$0.15
64	Fax cover sheet back to customer and file and/or email confirmation is sent.	Global	Service Representative	\$60.65	3.00	100.00%	\$3.03
65	Unit Activity Cost > SUM (LN 52.....64)						\$48.74

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<i>Change PIC/LPIC for "Signature Accounts" customer</i>						
66	Answer call and acknowledges customer request	BCS	Service Representative	\$60.65	0.50	100.00% \$0.51
67	Clarify request, PIC/LPIC or both, negotiate telephone numbers where changes are to be made. Validate availability of carrier(s). Review account for pending orders to determine impact.	BCS	Service Representative	\$60.65	2.00	100.00% \$2.02
68	Receive permission to remove slamming protection if necessary. If permission is granted protection is removed. If permission not granted the order is cancelled	BCS	Service Representative	\$60.65	0.50	97.00% \$0.49
69	Explain rights if customer alleges slam, issues correcting order to switch back, issues adjustments in BOSS & forwards to SCRT for follow-up.	BCS	Service Representative	\$60.65	4.50	90.00% \$4.09
70	Recap all elements of the order & offer additional assistance; Note BOSS account: issued order to change PIC/LPIC from/to, due date & order number, release order.	BCS	Service Representative	\$60.65	0.50	100.00% \$0.51
71	Access website for TPV (if PIC/LPIC is being changed back to SBC-West). Rep gives agent customer name, what the customer wants and the telephone number. Rep connects customer & drops off. Note BOSS account TPV, agent name & record locator number.	BCS	Service Representative	\$60.65	1.50	95.00% \$1.44
72	Recall file to determine why the TPV did not complete. If customer refused the change the order is cancelled. Note BOSS account: cancelled order.	BCS	Service Representative	\$60.65	2.00	5.00% \$0.10
73	Confirm reason for failed TPV. If it is determined telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says no order cancelled. Note BOSS account: cancelled order.	BCS	Service Representative	\$60.65	5.00	1.00% \$0.05
74	Confirm reason for failed TPV. If service rep determines telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says yes Rep calls TPV group. Rep gives agent customer name, what the customer wants and the telephone number. Rep and agent verify the record locator number. Rep transfers customer to agent and drops off call.	BCS	Service Representative	\$60.65	6.00	94.00% \$5.70
74	Access SORD, bring up order, correct any errors and resend order	BCS	Service Representative	\$60.65	2.00	100.00% \$2.02
75	Unit Activity Cost > SUM (LN 66.....74)					\$16.93

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Add PIC/LPIC protection for "Signature Accounts" customer							
76	Answer call and acknowledges customer request	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
77	Clarify request, PIC/LPIC or both, negotiate telephone numbers where changes are to be made. Validate availability of carrier(s). Review account for pending orders to determine impact.	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
78	Place a record order in hold to add PIC/LPIC protection	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
79	Access website for TPV. Rep gives agent customer name, what the customer wants and the telephone number. Rep connects customer & drops off. Note BOSS account TPV, agent name & record locator number.	BCS	Service Representative	\$60.65	2.00	5.00%	\$0.10
80	Confirm reason for failed TPV. If it is determined telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says no order cancelled. Note BOSS account: cancelled order.	BCS	Service Representative	\$60.65	5.00	1.00%	\$0.05
81	Confirm reason for failed TPV. If service rep determines telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says yes Rep calls TPV group. Rep gives agent customer name, what the customer wants and the telephone number. Rep and agent verify the record locator number. Rep transfers customer to agent and drops off call.	BCS	Service Representative	\$60.65	6.00	94.00%	\$5.70
82	Access SORD, bring up order, correct any errors and resend order	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
83	Unit Activity Cost > SUM (LN 76.....82)						\$12.42

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<i>Remove PIC/LPIC protection for "Signature Accounts" customer</i>							
84	Answer call and acknowledges customer request	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
85	Obtain permission to remove slamming protection	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
86	Issue change order to remove protection.	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
Request by customer for protection on the new carrier, access website for TPV. Rep gives agent customer name, what the customer wants and the telephone number. Rep connects customer & drops off. Note BOSS account TPV, agent name & record locator number.							
87		BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
Confirm reason for failed TPV. If it is determined telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says no order cancelled. Note BOSS account: cancelled order.							
88		BCS	Service Representative	\$60.65	5.00	1.00%	\$0.05
Confirm reason for failed TPV. If service rep determines telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says yes Rep calls TPV group. Rep gives agent customer name, what the customer wants and the telephone number. Rep and agent verify the record locator number. Rep transfers customer to agent and drops off call.							
89		BCS	Service Representative	\$60.65	6.00	99.00%	\$6.00
90	Access SORD, bring up order, correct any errors and resend order	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
91	Unit Activity Cost > SUM (LN 84.....90)						\$13.13

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<i>Change PIC/LPIC for "Value" customer</i>							
92	Answer call and acknowledges customer request	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
93	Clarify request, PIC/LPIC or both, negotiate telephone numbers where changes are to be made. Validate availability of carrier(s). Review account for pending orders to determine impact.	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
94	Receive permission to remove slamming protection if necessary. If permission is granted protection is removed. If permission not granted the order is cancelled	BCS	Service Representative	\$60.65	0.50	97.00%	\$0.49
95	Explain rights if customer alleges slam, issues correcting order to switch back, issues adjustments in BOSS & forwards to SCRT for follow-up.	BCS	Service Representative	\$60.65	4.50	90.00%	\$4.09
96	Recap all elements of the order & offer additional assistance; Note BOSS account: issued order to change PIC/LPIC from/to, due date & order number, release order.	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
97	Access website for TPV (if PIC/LPIC is being changed back to SBC-West). Rep gives agent customer name, what the customer wants and the telephone number. Rep connects customer & drops off. Note BOSS account TPV, agent name & record locator number.	BCS	Service Representative	\$60.65	1.50	95.00%	\$1.44
98	Recall file to determine why the TPV did not complete. If customer refused the change the order is cancelled. Note BOSS account: cancelled order.	BCS	Service Representative	\$60.65	2.00	5.00%	\$0.10
99	Confirm reason for failed TPV. If it is determined telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says no order cancelled. Note BOSS account: cancelled order.	BCS	Service Representative	\$60.65	5.00	1.00%	\$0.05
100	Confirm reason for failed TPV. If service rep determines telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says yes Rep calls TPV group. Rep gives agent customer name, what the customer wants and the telephone number. Rep and agent verify the record locator number. Rep transfers customer to agent and drops off call.	BCS	Service Representative	\$60.65	6.00	94.00%	\$5.70
101	Access SORD, bring up order, correct any errors and resend order	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
102	Unit Activity Cost > SUM (LN 92.....101)						\$16.93

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<i>Add PIC/LPIC protection for "Value" customer</i>							
103	Answer call and acknowledges customer request	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
104	Clarify request, PIC/LPIC or both, negotiate telephone numbers where changes are to be made. Validate availability of carrier(s). Review account for pending orders to determine impact.	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
105	Place a record order in hold to add PIC/LPIC protection	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
106	Access website for TPV. Rep gives agent customer name, what the customer wants and the telephone number. Rep connects customer & drops off. Note BOSS account TPV, agent name & record locator number.	BCS	Service Representative	\$60.65	2.00	5.00%	\$0.10
107	Confirm reason for failed TPV. If it is determined telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says no order cancelled. Note BOSS account: cancelled order.	BCS	Service Representative	\$60.65	5.00	1.00%	\$0.05
108	Confirm reason for failed TPV. If service rep determines telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says yes Rep calls TPV group. Rep gives agent customer name, what the customer wants and the telephone number. Rep and agent verify the record locator number. Rep transfers customer to agent and drops off call.	BCS	Service Representative	\$60.65	6.00	94.00%	\$5.70
109	Access SORD, bring up order, correct any errors and resend order	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
110	Unit Activity Cost > SUM (LN 103.....109)						\$12.42

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Remove PIC/LPIC protection for "Value" customer							
111	Answer call and acknowledges customer request	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
112	Obtain permission to remove slamming protection	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
113	Issue change order to remove protection.	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
114	Request by customer for protection on the new carrier, access website for TPV. Rep gives agent customer name, what the customer wants and the telephone number. Rep connects customer & drops off. Note BOSS account TPV, agent name & record locator number.	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
115	Confirm reason for failed TPV. If it is determined telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says no order cancelled. Note BOSS account: cancelled order.	BCS	Service Representative	\$60.65	5.00	1.00%	\$0.05
116	Confirm reason for failed TPV. If service rep determines telephone numbers were transposed or incomplete information, service rep calls customer & explains TPV did not go through & asks if customer still wants change. If customer says yes Rep calls TPV group. Rep gives agent customer name, what the customer wants and the telephone number. Rep and agent verify the record locator number. Rep transfers customer to agent and drops off call.	BCS	Service Representative	\$60.65	6.00	99.00%	\$6.00
117	Access SORD, bring up order, correct any errors and resend order	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
118	Unit Activity Cost > SUM (LN 111.....117)						\$13.13

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Change PIC/LPIC for "GEM" customer							
119	Receive request from business customer via phone call	GEM	Service Representative	\$68.77	0.50	100.00%	\$0.57
120	Clarify request, PIC/LPIC or both, negotiate telephone numbers where changes are to be made. Validate availability of carrier(s). Review account for pending orders to determine impact.	GEM	Service Representative	\$68.77	2.00	100.00%	\$2.29
121	Explain LOA process, gain cust permission, fax LOA to cust (order not issued until cust faxes back completed, signed LOA)	GEM	Service Representative	\$68.77	3.00	100.00%	\$3.44
122	Fax back by customer completed, signed, LOA	GEM	Service Representative	\$68.77	2.00	100.00%	\$2.29
123	Receive permission to remove slamming protection if necessary. If permission is granted protection is removed. If permission not granted the order is cancelled	GEM	Service Representative	\$68.77	0.50	40.00%	\$0.23
124	Explain rights, issues correcting order to switch back, issues adjustments in BOSS & forwards to SCRT for follow-up. (if customer alleges slam)	GEM	Service Representative	\$68.77	4.00	10.00%	\$0.46
125	Explains rights, types correcting order to switch back. (if no alleged slam)	GEM	Service Representative	\$68.77	2.00	90.00%	\$2.06
126	Recap all elements of the order & offer additional assistance; Note BOSS account: issued order to change PIC/LPIC from/to, due date & order number, release order.	GEM	Service Representative	\$68.77	0.50	100.00%	\$0.57
127	Collect LOA if applicable (for Centrex)	GEM	Service Representative	\$68.77	15.00	60.00%	\$10.32
128	Change request to non-SBC carrier. Take verbal request from customer. No LOA required	GEM	Service Representative	\$68.77	5.00	40.00%	\$2.29
129	Change Centrex GROUP: Issue M1031	GEM	Service Representative	\$68.77	10.00	90.00%	\$10.32
130	Issue SORD order to change the Centrex GROUP PIC/LPIC Locate all accounts (access BOSS as needed), access account via SORD MII, type order & send order	GEM	Service Representative	\$68.77	3.00	90.00%	\$3.09
131	Remove freeze if applicable (If the customer is currently FROZEN on their line and will NOT be frozen with the new carrier) Access Account via SORD MII, put in proper codes to pull up account with duplicate lines, determine what you can put on a single order to prepare for line limitations, make sure you have the correct carrier on each inward line as the first order has not yet completed in accounting, type order, send order. Repeat initial Access Account step for each 30 Centrex lines.	GEM	Service Representative	\$68.77	1.00	25.00%	\$0.29
132	Collect freeze LOA	GEM	Service Representative	\$68.77	15.00	75.00%	\$12.89
133	Add or Change New Carrier - Issue SORD order Line by Line (without Freeze): Access Account via SORD MII, put in proper codes to pull up account with duplicate lines, determine what you can put on a single order to prepare for line limitations, type order, send order. Repeat PROCESS step for each 30 Centrex lines.	GEM	Service Representative	\$68.77	1.00	100.00%	\$1.15
134	ADD Freeze (If this is a new freeze to an account that formerly had freeze): Adding Freeze back on. Access Account via SORD MII, put in proper codes to pull up account with duplicate lines, determine what you can put on a single order to prepare for line limitations, type order, send order. Repeat PROCESS step for each 30 Centrex lines.	GEM	Service Representative	\$68.77	1.00	75.00%	\$0.86
135	Issue ONE order for every telephone set (EBS-ISDN)	GEM	Service Representative	\$68.77	1.00	20.00%	\$0.23
136	Unit Activity Cost > SUM (LN 119.....135)						\$53.35

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<i>Add PIC/LPIC protection for "GEM" customer</i>							
137	Receive request from business customer via phone call	GEM	Service Representative	\$68.77	0.50	100.00%	\$0.57
138	Clarify request. Review account for pending orders to determine impact.	GEM	Service Representative	\$68.77	2.00	100.00%	\$2.29
139	Explain LOA process, gain cust permission, fax LOA to cust (order not issued until cust faxes back completed, signed LOA)	GEM	Service Representative	\$68.77	3.00	100.00%	\$3.44
140	Type order	GEM	Service Representative	\$68.77	0.50	100.00%	\$0.57
141	Recap all elements of the order & offer additional assistance; Note BOSS account: issued order to change PIC/LPIC from/to, due date & order number, release order.	GEM	Service Representative	\$68.77	0.50	100.00%	\$0.57
142	Unit Activity Cost > SUM (LN 137.....141)						\$7.44
<i>Remove PIC/LPIC protection for "GEM" customer</i>							
143	Receive request from business customer via phone call	GEM	Service Representative	\$68.77	0.50	100.00%	\$0.57
144	Clarify request. Review account for pending orders to determine impact.	GEM	Service Representative	\$68.77	2.00	100.00%	\$2.29
145	Explain LOA process, gain cust permission, fax LOA to cust (order not issued until cust faxes back completed, signed LOA)	GEM	Service Representative	\$68.77	3.00	100.00%	\$3.44
146	Type order	GEM	Service Representative	\$68.77	0.50	100.00%	\$0.57
147	Recap all elements of the order & offer additional assistance; Note BOSS account: issued order to change PIC/LPIC from/to, due date & order number, release order.	GEM	Service Representative	\$68.77	0.50	100.00%	\$0.57
148	Unit Activity Cost > SUM (LN 143.....147)						\$7.44
(A)	(B)	(C)	(D)	(E)	(F)	(G)	
				Unit Resource Cost (\$/hr)	Resource Driver Hours	Resource Cost	
Ln	Activities / Resources	Workgroup	Job Title	Source: BORC	Source: Drivers	(G=E*F)	
<i>Provide Customer Account Record Exchange (CARE) support - All PIC Changes</i>							
149	SBC - West CARE Support	CARE	Area Manager IN	\$73.25	508.34	\$37,235.98	
150	SBC - West CARE Support	CARE	Manager OH	\$78.06	1016.68	\$79,362.19	
151	ASC Call Group (IPOC)	ASC	Service Representative	\$58.07	15.60	\$905.89	
152	ASC Collections (IPOC)	ASC	Service Representative	\$58.07	260.00	\$15,098.20	
153	Unit Activity Cost > SUM (LN 149.....151)						\$132,602.26
<i>Provide Customer Account Record Exchange (CARE) support - Mechanized PIC Changes</i>							
154	ASC Error Correction	ASC	Service Representative	\$58.07	4064.74	\$236,039.22	
155	Unit Activity Cost > SUM (LN 154.....154)						\$236,039.22
<i>Provide Slamming Administration support</i>							
156	Consumer Support	SCRT	Service Representative	\$60.65	20800.00	\$1,261,520.00	
157	Business Support	SCRT	Service Representative	\$60.65	2080.00	\$126,152.00	
158	Unit Activity Cost > SUM (LN 156.....157)						\$1,387,672.00

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(A)	(B)	(C)	(D)	(E)	(F)
		Unit Resource Cost (\$ per req.)	Resource Driver		Resource Cost
Ln	Activities / Resources	Source: Input	Source: Drivers	Resource Driver Description	(F=C*D)
159	Provide TPV for a <i>value</i> customer PIC/LPIC change	\$0.83	0.95	% Time TPV Required for Value	\$0.79
160	Provide TPV for a <i>consumer-serv rep</i> customer PIC/LPIC change	\$0.83	0.98	% Time TPV Required for Consumer Serv Rep	\$0.81
161	Provide TPV for a <i>signature</i> customer PIC/LPIC change	\$0.83	0.95	% Time TPV Required for Signature	\$0.79
162	Provide TPV for a <i>value</i> customer PIC/LPIC add protect	\$0.83	0.0001	TPV Value Add Protect Weighting	\$0.0001
163	Provide TPV for a <i>consumer-serv rep</i> customer PIC/LPIC add protect	\$0.83	0.0056	TPV Consumer-Serv Rep Add Protect Weighting	\$0.0046
164	Provide TPV for a <i>signature</i> customer PIC/LPIC add protect	\$0.83	0.00007	TPV Signature Add Protect Weighting	\$0.00006

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Bill of Resource Costs

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Line	State	JFC	Work Group	Job Title	Labor Cost per Hour (1)	Factor to restate labor rate to current and adjust for inflation (2)	Adjusted Labor Cost per Hour (F)*(G)
1	CA	23XX	Consumer	Service Representative	\$56.60	1.0716	\$60.65
2	CA	23XX	Consumer	Staff Associate	\$51.09	1.0716	\$54.75
3	CA	23XX	Global	Service Representative	\$56.60	1.0716	\$60.65
4	CA	23XX	Global	Provisioning Specialist	\$62.84	1.0716	\$67.34
5	CA	22XX	GEM	Service Representative	\$64.17	1.0716	\$68.77
6	CA	23XX	BCS	Service Representative	\$56.60	1.0716	\$60.65
7	IN	23XX	CARE	Area Manager IN	\$68.35	1.0716	\$73.25
8	OH	23XX	CARE	Manager OH	\$72.84	1.0716	\$78.06
9	TX	23XX	ASC	Service Representative	\$54.19	1.0716	\$58.07
10	CA	23XX	SCRT	Service Representative	\$56.60	1.0716	\$60.65

NOTES:

- (1) Source: "Input" Tab
 (2) Restate to Current and Inflation Calculations:

	Year	Value
Labor Rate Base Year	2003	
2004 Wage Increase	2004	2.0%
2005 Wage Increase	2005	2.5%
2006 Wage Increase	2006	2.5%
Inflation to midpoint based on union contract increases		1.0716

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Drivers

ACTIVITY DRIVERS

(A)	(B)	(C)	(D)
		PIC/LPIC Changes per Order	Value
Line	Driver Description	Source: Input	(1 / C)
1	Consumer Service Representative PIC/LPIC Orders per Change	1.90	0.53
2	Global Markets PIC/LPIC Orders per Change	50.00	0.02
3	Signature PIC/LPIC Orders per Change	5.17	0.19
4	Value PIC/LPIC Orders per Change	3.56	0.28
5	GEM PIC/LPIC Orders per Change	4.81	0.21
6	Weighted Average PIC/LPICs Orders per Change	2.71	0.37

(A)	(B)	(C)	(D)	(E)
		Percent Orders by Channel	Percent Manual Orders	Value
Line	Driver Description	Source: Input	Source: Input	(E)=(C)*(D)
7	% manual orders worked by Consumer Service Representative	86.03%	60.84%	52.34%
8	% manual orders worked by Global Markets center	1.14%	60.84%	0.69%
9	% manual orders worked by Signature Accounts center	1.53%	60.84%	0.93%
10	% manual orders worked by Value center	9.18%	60.84%	5.59%
11	% manual orders worked by GEM center	2.12%	60.84%	1.29%

(A)	(B)	(C)	(D)	(E)
		Quantity Add/Remove Protection	Quantity Total PIC/LPIC Changes	Value
Line	Driver Description	Source: Input	Source: Input	(E)=(C) / (D)
12	Ratio of Consumer Service Representative Add Protection to Total PIC & LPIC Changes	29668.8	5,307,268	0.0056
13	Ratio of Global Markets Add Protection to Total PIC & LPIC Changes	2337.6	5,307,268	0.0004
14	Ratio of Signature Account Add Protection to Total PIC & LPIC Changes	7704	5,307,268	0.0015
15	Ratio of Value Add Protection to Total PIC & LPIC Changes	13305.6	5,307,268	0.0025
16	Ratio of GEM Add Protection to Total PIC & LPIC Changes	28072.8	5,307,268	0.0053
17	Ratio of Consumer Service Representative Remove Protection to Total PIC & LPIC Changes	2529.6	5,307,268	0.0005
18	Ratio of Global Markets Remove Protection to Total PIC & LPIC Changes	1051.2	5,307,268	0.0002
19	Ratio of Signature Account Remove Protection to Total PIC & LPIC Changes	2236.8	5,307,268	0.0004
20	Ratio of Value Remove Protection to Total PIC & LPIC Changes	3266.4	5,307,268	0.0006
21	Ratio of GEM Remove Protection to Total PIC & LPIC Changes	8589.6	5,307,268	0.0016

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Drivers			
(A)	(B)	(C)	(D)
Line	Driver Description	Quantity Total PIC/LPIC Changes <i>Source: Input</i>	Value (1 / C)
22	1/Total PIC-LPIC Transactions	5,307,268	0.00000019
23	1/Mechanized PIC-LPIC Transactions	2,078,428	0.00000048

(A)	(B)	(C)
Line	Driver Description	Value <i>Source: Input</i>
24	% Manual PIC-LPIC Transactions	60.84%

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Drivers

RESOURCE DRIVERS

(A)	(B)	(C)	(D)	(E)	(F)
		Number of Employees	Resource Time (annual hours)	% Time Dedicated to Support California PIC/LPIC	Value
Line	Driver Description	Source: Input	Source: Input	Source: Input	(F=C*D*E)
25	CARE Area Manager Labor Hours	1	2,080	24.44%	508.34
26	CARE Manager Labor Hours	1	2,080	48.88%	1016.68
27	IPOC Service Rep Labor Hours	2	2,080	97.71%	4064.74
28	IPOC Service Rep Labor Hours	9	2,080	0.08%	15.60
29	IPOC Service Rep Labor Hours	1	2,080	12.50%	260.00
30	SCRT Service Representative Labor Hours	10	2,080	100%	20800
31	SCRT Customer Advocate Labor Hours	1	2,080	100%	2080

(A)	(B)	(C)
Line	Driver Description	Value Source: Input
32	TPV Value Change PIC Weighting	95.0%
33	TPV Consumer Change PIC Weighting	98.0%
34	TPV Signature Change PIC Weighting	95.0%

(A)	(B)	(C)	(D)	(E)	(F)
		% Time TPV Required	Total Add Quantity	Total Transaction Quantity	Value
Line	Driver Description	Source: Input	Source: Input	Source: Input	(F=C*(D/E))
35	TPV Value Add Protection Weighting	5.0%	13,306	5,307,268	0.000
36	TPV Consumer Add Protection Weighting	100.0%	29,669	5,307,268	0.006
37	TPV Signature Add Protection PIC Weighting	5.0%	7,704	5,307,268	0.00007

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Glossary

Presubscription Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

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Glossary

ASC	Access Service Center	Location where service representatives are employed. The ASC was previously called the ICSC (Interexchange Carrier Service Center).
AOG	Automatic Order Generator	This is an application that takes responses from various other applications like RCRMS to issue SNP's, Non-Pay Product Removal and requests to add delete products and services fro the Web and generates an order in SORD.
BCS	Business Communication Services	
BEASE	Business Easy Access Sales Environment	A GUI application which interacts with SORD, Premise and other systems to format simple orders in SORD.
BORC	Bill of Resource Costs	The section of the cost study that shows the cost of each resource. Resources can be labor such as a service representative's time or equipment such as a multipurpose position. In the case of this study it is labor.
BOSS	Billing and Order Support System	Allows on-line access to all detailed and up-to-date account information needed to carry out service center operations associated with customer account inquiries, the processing of adjustments and the performance of treatment activities.
	Calibus	A web based third party verification application that service representatives can access to begin the TPV process.
CARE	Customer Account Record Exchange	Application that interfaces with the interexchange carriers to provide them with tariffed FCC mandated billing information and optional wholesale products.
	Consumer	Separate Business Channel for the Consumer Channel
	Dashboard	An SBC Enterprise merger revenue/savings initiative to support the strategy of a common desktop application solution across SBC consumer and BCS call centers. Reduces the amount of time customers spend on hold while the service representatives search for customer account information. Provide the capability to navigate into legacy systems for detailed service activation, service orders, billing functions, etc.
EASE	Easy Access Sales Environment	Application used to negotiate orders.
GEM	Government, Education, Municipal	Separate Business Channel for Government/Education/Municipal customers.
	Global Customer	This represents customers with alignment to "Fortune 500" and "Fortune 1000" companies. Minimum \$10 million in total telecom - budget. The customer has 2 or more states outside their headquartered state. Customer has locations in at least 5 continents with at least 2 countries in each continent.
GUI	Graphical User Interface	A WEB based tool that allows online interaction.
IPOC	Initial Point of Contact	An Access Service center located in Richardson, Texas that has a dedicated staff for serving Interexchange Carriers and Billing & Collection Customers. The ASC/IPOC was created to provide one point of contact within SBC for the Carriers regarding Subscription/CARE issues.

SBC - California Study

Glossary

Presubscription Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

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Glossary

IVR	Interactive Voice Response	Provides inquiry and update directly to the customer without service representative intervention. Many applications available including Spanish, Business and Residence functions. Routes appropriately if service representative support is required.
KID PN	n/a	Used to set follow-up's in BOSS to review the account. The service representative will set the KID PN for various reasons. One of these being to refer slammed customers to the SCRT.
LOA	Letter of Authorization	The LOA is written authorization by the customer that a carrier change can take place and/or blocking protection can be added to the account.
LPIC	Local Presubscription Interexchange Carrier	The IntraLATA carrier selected by the customer.
Mosaix		Delivery tool that distributes telephone numbers to back-end reps workstation.
PIC	Presubscription Interexchange Carrier	The InterLATA carrier selected by the customer.
PIC/LPIC	(See above)	PIC or LPIC.
RCRMS	Revenue Collection Risk Management System	An automated account collection process for the West region. Business rules and tariff requirements have been established to assign accounts into specific risk classifications. A GUI interface then allows collection representatives to work their accounts accordingly.
RSC	Residence Service Center	These are the billing channel service representatives.
SCRT	Slamming Complaint Resolution Team	This group resolves all customer slamming complaints.
	Signature Customer	Separate Business Channel for large business customers.
SNP	Suspended for Non Pay	
SORD	Service Order Retrieval & Distribution	SORD is a mechanized, online service order processing system for SBC. It provides a means to create, store, edit, maintain and distribute requests to other involved work groups establishing, disconnecting or changing a customer's services and account.
SORD MII	Service Order Retrieval & Distribution Minimal Input Inquiry	See definition of SORD above. Minimal Input Inquiry is for simple service such as a residential or business line.
SSN	Social Security Number	One form of identification used verify authority
TPBC	Third Party Billing Center	Handles all third party billing issues.
TPV	Third Party Verification	TPV by a third party vendor is required whenever a PIC/LPIC change is done or blocking protection is added to a customer's account.
	Value Customer	Separate Business Channel for small business customers.

SBC - California Study

Input

Presubscription Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

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September 2004

Input		
Input	Value	Source
Completion Date	September 2004	
State	SBC - California Study	
Cost Study Title	Presubscription Interexchange Carrier (PIC)	
Cost Study Subtitle 1	Change Charge	
Cost Study Subtitle 2	Nonrecurring Cost Study	
Study Period	2005 - 2008	
Midpoint	2006	
Labor Rate Base Year	2003	Cost Group
2004 Wage Increase	2.0%	2004 Union Labor Contract
2005 Wage Increase	2.5%	2004 Union Labor Contract
2006 Wage Increase	2.5%	2004 Union Labor Contract
<u>Percent of Service Orders by Channel</u>		
Consumer Service Rep Inbound	86.03%	Associate Director-Ad Hoc Reporting
Global Markets	1.14%	Associate Director-Ad Hoc Reporting
Signature Accounts	1.53%	Associate Director-Ad Hoc Reporting
Value Accounts	9.18%	Associate Director-Ad Hoc Reporting
Government/Education/Municipal (GEM)	2.12%	Associate Director-Ad Hoc Reporting
Total	100.0%	
<u>Changes per Request by Business Channel</u>		
Consumer Customer Care	1.90	Associate Director-Ad Hoc Reporting
Global Markets	50	25 PIC and 25 LPIC changes per request (provided by Area Manager - Operations Support)
Signature Accounts	5.17	Associate Director-Ad Hoc Reporting
Value Accounts	3.56	Associate Director-Ad Hoc Reporting
Government/Education/Municipal (GEM)	4.81	Associate Director-Ad Hoc Reporting
PIC/LPICs per Order - Wtd. Avg based on service orders	2.71	=SUM(Channel Orders * Channel % Orders) / Total Percent

SBC - California Study

Input

Presubscription Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005 - 2008

September 2004

Input		
Input	Value	Source
Manual PIC & LPIC Transactions (PIC & LPIC Changes)	3,228,840	Area Manager - Quality/M&P/Process
Mechanized PIC & LPIC Transactions (PIC & LPIC Changes)	2,078,428	Area Manager - Quality/M&P/Process
Total PIC & LPIC Change Transactions (PIC & LPIC Changes)	5,307,268	Area Manager - Quality/M&P/Process
% Manual Transactions (PIC & LPIC Changes)	60.84%	Manual Transactions / Total Transactions
% Mechanized Transactions (PIC & LPIC Changes)	39.16%	Mechanized Transactions / Total Transactions
Provide Service Order Computer Cost, per order	\$0.98	IT SO Billed Cost Study (July 2004) 13 state average
Provide IT PIC/LPIC Annual Cost per PIC/LPIC change	\$0.42	IT PIC Billed Cost Study_R2 13 state average (July 2004)
Third Party Verification - Cost per Order	\$0.83	Contract rate per TPV (provided by: Associate Director Vendor Management)
<u>Add/Remove PIC & LPIC Protection Quantities</u>		
Consumer Service Representative- Add	29,669	Provided by Associate Director - AD HOC/Tracking
Consumer Service Representative- Remove	2,530	Provided by Associate Director - AD HOC/Tracking
Global - Add	2,338	Provided by Associate Director - AD HOC/Tracking
Global - Remove	1,051	Provided by Associate Director - AD HOC/Tracking
Signature - Add	7,704	Provided by Associate Director - AD HOC/Tracking
Signature - Remove	2,237	Provided by Associate Director - AD HOC/Tracking
Value - Add	13,306	Provided by Associate Director - AD HOC/Tracking
Value - Remove	3,266	Provided by Associate Director - AD HOC/Tracking
GEM - Add	28,073	Provided by Associate Director - AD HOC/Tracking
GEM - Remove	8,590	Provided by Associate Director - AD HOC/Tracking
	98,762	
Annual Hours (40 hours per week x 52 weeks)	2,080	Cost Analysis Factors Group
<u>CARE Labor Support</u>		
% Dedicated to Support SBC California - Area Manager IN	25%	Area Manager - ASC
% Dedicated to Support SBC California - Manager OH	50%	Area Manager - ASC
% SBC West Support dedicated to California	98%	California Access Lines / Total West Access Lines
% Dedicated to Support SBC California- Area Manager IN	24.44%	% Care support dedicated SBC West * % California of total West
% Dedicated to Support SBC California - Manager OH	48.88%	% Care support dedicated SBC West * % California of total West
Headcount supporting SBC California - Area Manager IN	1	Area Manager - ASC
Headcount supporting SBC California - Manager OH	1	Area Manager - ASC
<u>IPOC Labor Support</u>		
% Dedicated to Support SBC California - Service Representative (error correction)	98%	Manager - ASC
% Dedicated to Support SBC California - Service Representative (call group)	0.08%	Manager - ASC
% Dedicated to Support SBC California - Service Representative (collections)	12.50%	Manager - ASC
Headcount supporting SBC California - Service Representative (error correction)	2	Manager - ASC
Headcount supporting SBC California - Service Representative (call group)	9	Manager - ASC
Headcount supporting SBC California - Service Representative (collections)	1	Manager - ASC

SBC - California Study

Input

Presubscription Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005 - 2008

September 2004

Input		
Input	Value	Source
<u>SCRT Labor Support</u>		
% Dedicated to Support SBC California - Serv Rep - Consumer	100%	Area Manager - SCRT
% Dedicated to Support SBC California - Serv Rep. - Business	100%	Area Manager - SCRT
Headcount supporting SBC California - Serv Rep - Consumer	10	Area Manager - SCRT
Headcount supporting SBC California - Serv Rep - Business	1	Area Manager - SCRT
Overhead Factor	32.17%	Cost Group
Percent of time TPV required for <i>Business Value</i> customer PIC/LPIC Change	95.0%	Senior Quality/M&P/Process Manager
Percent of time TPV required for <i>Business Value</i> customer PIC/LPIC Add	5.0%	Senior Quality/M&P/Process Manager
Percent of time TPV required for <i>Consumer</i> customer PIC/LPIC Change	98.0%	Manager - Quality/M&P/Process
Percent of time TPV required for <i>Consumer</i> customer PIC/LPIC Add	100.0%	Manager - Quality/M&P/Process
Percent of time TPV required for <i>Signature</i> customer PIC/LPIC Change	95.0%	Senior Quality/M&P/Process Manager
Percent of time TPV required for <i>Signature</i> customer PIC/LPIC Add	5.0%	Senior Quality/M&P/Process Manager
CA - 23XX Service Representative	\$56.60	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
CA - 23XX Staff Associate	\$51.09	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
CA - 23XX Provisioning Specialist	\$62.84	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
CA - 22XX Service Representative	\$64.17	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
IN - 23XX Area Manager	\$68.35	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
OH - 23XX Manager	\$72.84	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
MI - 23XX Manager	\$61.49	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
TX - 23XX Service Representative	\$54.19	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04